

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF COLUMBIA)	CASE NO. 90-063-J
GAS OF KENTUCKY, INC.)	

O R D E R

On October 10, 1990, the Commission issued its Order in Case No. 90-063 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a periodic basis in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On October 1, 1993, Columbia Gas of Kentucky, Inc. ("Columbia") filed for an interim adjustment to its gas cost pursuant to its GCA clause to be effective November 1, 1993. This filing was proposed to coincide with the implementation of tariffs by Columbia Gas Transmission Corporation pursuant to the Federal Energy Regulatory Commission's Order 636. On November 1, 1993, Columbia revised its filing to pass through decreases in gas cost in a timely manner.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Columbia's revised notice of November 1, 1993 set out certain revisions in rates which Columbia proposed to place into effect, said rates being designed to pass on to its customers the expected wholesale decrease in gas costs from its suppliers in the

amount of 3.15 cents per Mcf excluding take-or-pay billings. Columbia's proposed expected gas cost ("EGC") for the period beginning November 1 is \$4.0787.

Columbia proposed to include Tennessee Gas Supply Realignment ("GSR") and Transition Cost Rate Adjustment ("TCRA") demand surcharges in its EGC. The Commission is in the process of considering the appropriate recovery of transition costs such as this in Administrative Case No. 346.¹ Columbia's EGC should be adjusted to remove the Tennessee GSR of \$1.90 per Dth and the TCRA of 62 cents per Dth pending the Commission's decision on the appropriate treatment of pipeline transition costs.

Columbia also proposed to recover through its EGC property taxes on stored gas. This issue is also being considered in Administrative Case No. 346; the associated \$103,000 should be removed from the EGC pending the Commission's decision. Columbia's EGC should be \$4.0392 per Mcf.

2. Columbia proposed a rate for a Banking and Balancing Service pursuant to a tariff accepted by the Commission to be effective November 1, 1993. The rate of 1.97 cents per Mcf should be approved.

3. Columbia's notice set out no further adjustments to sales rates.

¹ Administrative Case No. 346, An Investigation of the Impact of the Federal Energy Regulatory Commission's Order 636 on Kentucky Consumers and Suppliers of Natural Gas.

4. Columbia's approved gas cost recovery rate of \$3.9892, which includes no fixed charge recovery component, represents a decrease in retail rates of 7.10 cents per Mcf.

5. Columbia's adjustment in rates, pursuant to the gas cost adjustment provisions approved by the Commission in its Order in Case No. 90-063, dated October 10, 1990, is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after November 1, 1993.

IT IS THEREFORE ORDERED that:


1. Columbia's proposed rates be and they hereby are denied.

2. The rates in the Appendix to this Order, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with gas supplied on and after November 1, 1993.

3. Within 30 days of the date of this Order, Columbia shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 12th day of November, 1993.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-063-J DATED NOVEMBER 12, 1993

The following rates and charges are prescribed for the customers in the area served by Columbia Gas of Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

CURRENTLY EFFECTIVE BILLING RATES

	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment</u> \$ 1/	<u>Total Billing Rate</u> \$
<u>RATE SCHEDULE GS</u>			
First 1 Mcf or less per Mo.			
Residential	7.45	3.9892	11.4392
Commercial or Industrial	16.34	3.9892	20.3292
Next 49 Mcf per Mo.	1.6872	3.9892	5.6764
Next 150 Mcf per Mo.	1.6378	3.9892	5.6270
Over 200 Mcf per Mo.	1.5886	3.9892	5.5778
<u>Delivery Service</u>			
<u>Demand Charge</u>			
Demand Charge times Firm Mcf Volume in Customer Service Agreement		9.4902	9.4902
Volumetric Rate	1.5886		1.5886
Banking and Balancing Service		.0197	.0197
<u>RATE SCHEDULE FI</u>			
Customer Charge	135.79		135.79
<u>Customer Demand Charge</u>			
Demand Charge times Firm Mcf Volume in Customer Service Agreement		9.4902	9.4902
Commodity Charge-All Volume	.5573	3.9892	4.5465
<u>Delivery Service</u>			
Volumetric Rate	.4861		.4861
Banking and Balancing Service		.0197	.0197

RATE SCHEDULE IS

Customer Charge	135.79		135.79
Commodity Charge	.5573	3.9892	4.5465
<u>Delivery Service</u>			
Volumetric Rate	.4861		.4861
Banking and Balancing Service		.0197	.0197

RATE SCHEDULE IUS

For all Volumes Delivered			
Each Month	.1735	3.9892	4.1627
<u>Delivery Service</u>			
Volumetric Rate	.1735	1.3885	1.5620
Banking and Balancing Service		.0197	.0197
<u>Delivery Service - Mainline</u>	.1000		.1000

- 1/ The Gas Cost Recovery Rate, as shown, is an adjustment per Mcf determined in accordance with the "Semi-Annual Gas Cost Adjustment Clause" as set forth on Sheets 80 through 82 of this tariff.